

Trust Board paper L4

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 6 December 2018

COMMITTEE: Finance and Investment Committee

CHAIR: Mr M Traynor, Non-Executive Director and FIC Chair

DATE OF COMMITTEE MEETING: 25 October 2018

RECOMMENDATIONS MADE BY THE COMMITTEE FOR CONSIDERATION BY THE PUBLIC TRUST BOARD:

- None

OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR CONSIDERATION/ RESOLUTION BY THE PUBLIC TRUST BOARD:

- Minute 95/18/1 – financial performance for Month 6;
- Minute 95/18/4 – progress of the Productivity Improvement Programme, and
- Minute 95/18/6 – Alliance quarterly update.

DATE OF NEXT COMMITTEE MEETING: 29 November 2018

Mr M Traynor, Non-Executive Director and FIC Chair

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

**MINUTES OF A MEETING OF THE FINANCE AND INVESTMENT COMMITTEE (FIC), HELD ON
THURSDAY 25 OCTOBER 2018 AT 8:30AM IN THE BOARD ROOM, VICTORIA BUILDING,
LEICESTER ROYAL INFIRMARY**

Voting Members Present:

Mr M Traynor – Non-Executive Director (Committee Chair)
Mr J Adler – Chief Executive
Ms R Brown – Chief Operating Officer
Mr A Johnson – Non-Executive Director
Mr R Moore – Non-Executive Director
Mr K Singh – Trust Chairman (non-voting ex-officio)
Mr P Traynor – Chief Financial Officer

In Attendance:

Mr C Benham – Director of Operational Finance
Ms T Blick – Deputy Financial Controller
Mr G Garcea – Clinical Director, CHUGGS (for Minute 91/18)
Ms C Jones-Manning – Decontamination Lead (for Minute 91/18)
Mr D Kerr – Director of Estates and Facilities
Ms C Langford – Deputy Head of Operations, CHUGGS (for Minute 91/18)
Mr W Monaghan – Director of Performance and Information
Ms L Naylor – Senior Project Lead (for Minute 91/18)
Mrs K Rayns – Corporate and Committee Services Officer
Mr B Shaw – Director of Efficiency and CIP
Mr N Sone – Financial Controller
Mr M Wightman – Director of Strategy and Communications

RECOMMENDED ITEMS

ACTION

91/18 CONFIDENTIAL REPORT BY THE CHIEF FINANCIAL OFFICER

Recommended – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

RESOLVED ITEMS

92/18 APOLOGIES

An apology for absence was received from Mr K Allen, Patient Partner.

Resolved – that the apology for absence be noted.

93/18 MINUTES

Resolved – that the Minutes of the Finance and Investment Committee (FIC) meeting held on 27 September 2018 (papers A1 and A2) be confirmed as correct records.

94/18 MATTERS ARISING

Paper B detailed the status of all matters arising from the 27 September 2018 FIC meeting and any outstanding matters arising from previous FIC meetings. Members noted that the majority of items were RAG-rated as either (4) on track or (5) complete.

Particular discussion took place regarding item 12 (Minute 86/18/1 of 27 September 2018) relating to the proposal to hold a follow-up Trust Board thinking day with IBM during the

2018/19 financial year. The Trust Chairman commented that it would be helpful to gain some insight from IBM on the scope for future developments, seek assurance on cyber security, and consider the impact of digitalisation on Acute Trusts. Provisional arrangements were currently being explored to include this session within the agenda for the Trust Board thinking day on 13 December 2018.

Resolved – that the matters arising report and any associated actions above, be noted.

94/18/1 Confidential report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

95/18 FINANCE AND PLANNING

95/18/1 2018/19 Month 6 Financial Performance

The Chief Financial Officer introduced paper D, providing an overview of the Trust's financial performance as at month 6 (September 2018), confirming that the deficit of £42.3m excluding Provider Sustainability Funding (PSF) was £17.2m adverse to plan. This figure now included the impact of not proceeding with the Facilities Management LLP (FM LLP) and the unmitigated risk within the Financial Recovery Board actions. Including PSF, the year to date deficit was £40m which was adverse to plan by £22.8m due to non-recognition of PSF within the Quarter 2 reporting period. Agency expenditure remained below the threshold required by NHS Improvement which effectively mandated a 30% reduction on 2015/16 agency expenditure. CIP performance to date stood at £13.9m against the planned £14.2m and the forecast CIP outturn was £43m reflecting a gap of £8.5m (with £7.9m of the gap being driven by the cessation of the FM LLP).

The key risks within the 2018/19 financial plan were set out on page 23 of paper D. FIC members noted that the Clinical Management Groups (CMGs) were being held to account to deliver their financial control totals through the Accountability Framework and this was being monitored through the Performance Review meetings. The Women's and Children's (W&C) and Musculo-Skeletal and Specialist Surgery (MSS) CMGs were already receiving additional support to deliver their plans. The Renal, Respiratory and Cardio-Vascular (RRCV) CMG was confident that they would be able to recover their in-month deterioration but this would be fully explored at their Performance Review meeting on 26 October 2018. FIC members sought and received additional information about the number of non-working days in September 2018 (which had already been factored into the business planning process) and a noticeable trend in elective care activity reflecting an increasing complexity of case-mix and a reduction in the average number of patients per operating list.

The Chief Financial Officer agreed to arrange for a high level analysis to be undertaken to compare the 2018/19 cost, volume and elective tariff data with that of the same period in 2017/18. He also agreed to include a bridging chart within the month 7 report setting out the trajectory required by each area to deliver the Quarter 2 re-forecast outturn and identifying any areas of key risk.

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Resolved – that (A) the Month 6 Financial Performance report be received and noted as paper D;

(B) the Chief Financial Officer be requested to arrange for a high level analysis to be undertaken to compare the 2018/19 elective cost, volume and tariff data with that of the same period in 2017/18, and

CFO

(C) the Chief Financial Officer be requested to include a bridging chart within the

CFO

next iteration of the financial performance report, setting out the trajectory required by each area to deliver the Quarter 2 re-forecast outturn and identifying any areas of key risk.

95/18/2 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

95/18/3 Confidential Report by the Chief Executive

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

95/18/4 UHL Productivity Improvement Programme – Month 6

The Director of Efficiency and CIP introduced paper G providing an overview of the performance status of the programme, progress of the enabling workstreams, key performance indicators, risks and mitigations, cross-cutting workstream highlights, and CMG and Corporate Directorate productivity measures. The forecast outturn for 2018/19 had been refreshed to take account of the cessation of the FM LLP and it now stood at £42.9m against the target of £51.5m. Significant work was underway to identify and deliver additional CIP schemes for 2018/19 and the Financial Recovery Board was driving further improvements in this area. Appointments had been made to 2 of the 3 vacant Transformation Lead posts and further recruitment was planned to fill the remaining post.

A presentation on the Vital Few, PLICS and Model Hospital data had been provided to the Executive Strategy Board (ESB) in October 2018 and a further presentation was planned for the November 2018 ESB meeting. A new cohort had started on the Lean Apprenticeship Programme and the Trust had received positive feedback from a recent NHS Improvement visit. The Committee Chair also highlighted the Trust's recent improvement in procurement benchmarking data, noting that UHL's national ranking position had improved from 34th to 15th and UHL was the only Trust in the East Midlands to hold the Silver Award for NHS Standards of Procurement. The Director of Strategy and Communications agreed to arrange for a media statement to be issued to alert the trade press to this achievement.

DSC

Resolved – that (A) the month 6 update on UHL's Productivity Improvement Programme (PIP) be received and noted as paper G, and

(B) the Director of Strategy and Communications be requested to arrange for a media statement to be issued to alert the trade press to UHL's achievement of a Silver Award for NHS Standards of Procurement.

DSC

95/18/5 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

95/18/6 Alliance Quarterly Update

On behalf of the Alliance Director, the Chief Financial Officer and the Director of Performance and Information introduced paper I, providing an overview of the Alliance's financial and operational performance up to month 5 of 2018/19, progress made towards shifting planned care services into the community hospital setting, and the benefits of the

Referral Support Service which was being provided by the Alliance for the East Leicestershire and Rutland CCG and the Leicester City CCG.

As previously advised, the day to day management of the UHL pillar activity was being transferred into UHL's management structure, but the timescale for this had slipped from 1 August 2018 to 1 November 2018. Discussion took place regarding clinical workforce capacity and the case mix of activity, given that the Alliance was only able to treat those patients suitable for day-case surgery. FIC members also considered the longer term direction of travel for the Alliance, noting that the contract was due to be reviewed for potential extension in March 2019 (at year 5), subject to agreement by the CCGs and Provider Partners, and that the contract was due to end in March 2021 (at year 7). FIC members commented on the need for further Executive-level discussion on the trajectory for transferring activity into the Alliance and the forward view for the future delivery of this service.

CFO

Resolved – that (A) the Alliance Quarterly Update be received and noted as paper I, and

(B) the Chief Financial Officer be requested to arrange for appropriate Executive-level discussions to be held regarding the trajectory for transferring activity into the Alliance and the forward view for the future delivery of this service.

CFO

96/18 STRATEGIC ISSUES

96/18/1 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

96/18/2 Confidential Report by the Director of Estates and Facilities

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

96/18/3 Confidential Report by the Chief Financial Officer

Resolved – that this Minute be classed as confidential and taken in private accordingly on the grounds that public consideration at this stage would be prejudicial to the effective conduct of public affairs.

97/18 SCRUTINY AND INFORMATION

97/18/1 Strategic Reconfiguration Programme – Project Plan and Timetable for Business Cases

Resolved – that the update on the Strategic Reconfiguration Programme be received and noted as paper K.

97/18/2 Finance and Investment Committee Calendar of Business 2018/19

Resolved – that the FIC calendar of business for 2018/19 be received and noted as paper L.

97/18/3 Executive Performance Board

Resolved – that the notes of the 25 September 2018 Executive Performance Board meeting be received and noted as paper M.

97/18/4 Capital Monitoring and Investment Committee (CMIC)

Resolved – that (A) the notes of the CMIC meeting held on 13 July 2018 be presented to FIC on 29 November 2018, and

(B) the cancellation of the August and September 2018 CMIC meetings be noted.

97/18/5 Revenue Investment Committee (RIC)

Resolved – that (A) the cancellation of the August 2018 RIC meeting be noted, and

(B) the notes of the RIC meeting held on 21 September 2018 be presented to FIC on 29 November 2018.

98/18 **ANY OTHER BUSINESS**

Resolved – that no items of other business were noted.

99/18 **ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD**

Resolved – that (A) a summary of the business considered at this meeting be presented to the Trust Board meeting on 1 November 2018, and

CCSO/
Chair

(B) the following items be particularly highlighted for the Trust Board's attention:-

- Minute 95/18/1 – financial performance for Month 6;
- Minute 95/18/4 – progress of the Productivity Improvement Programme, and
- Minute 95/18/6 – Alliance quarterly update.

100/18 **DATE OF NEXT MEETING**

Resolved – that the next meeting of the Finance and Investment Committee be held on Thursday 29 November 2018 from 8.30am to 11am in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 11:06am

Kate Rayns
Corporate and Committee Services Officer

FIC Attendance Record 2018-19

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	7	7	100	A Johnson	7	6	86
J Adler	7	6	86	R Moore	7	5	71
R Brown (from 28.6.18)	5	4	80	K Singh (Ex-officio)	7	5	71
E Doyle	2	2	100	P Traynor	7	6	86

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
K Allan (Patient Partner)	7	4	57	D Kerr	7	5	71
C Benham	7	7	100	M Wightman	7	7	100